storebrand

Storebrand Sustainable Investment Policy

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Introduction Storebrand Asset Management AS

Storebrand Asset Management is a wholly owned subsidiary of Storebrand ASA listed on the Oslo Stock Exchange (ticker STB). The Storebrand Group has roots back to 1767 and is a leading player in the Nordic market for long-term savings, pensions, banking and insurance. Storebrand Asset Management owns several asset managers, collectively forming an asset management group. All Storebrand Asset Management entities are bound by a framework, which consists of a comprehensive set of exclusion criteria (norm-based and product-based) and principles that the respective entities must adhere to in its investment process. Whilst this policy document sets forth the overarching entity level descriptions, there might be specifications at product level that are not captured in this document. For more specific disclosure from the respective entities, please consult their websites.

The Storebrand Asset Management Group consists of:

storebrand Asset Management

DELPHI FUNDS Part of Storebrand

SKAGEN Part of Storebrand

storebrand Fonder

Cubera Part of Storebrand

Capital Investment COPENHAGEN-LONDON

Our vision

Sustainability is an integral part of Storebrand's core business. This means we evaluate economic, social and environmental aspects before we make any decisions. Our long-term vision for the year 2050 is a world where 9 billion people live well, and within the earth's natural limits.

Further sustainability is integrated into our values and vision. Sustainable products, services and relationships are part of Storebrand's promise to clients and a central part of the Group's strategy and brand. Each business unit is responsible for integrating sustainability into its operations, and thus sustainability is of significant importance to senior executives and top management. Storebrand was also the first Norwegian company to establish a sustainable investment department in 1995. Since 2010, sustainability analysis has been steadily integrated into the daily risk management and company selection processes of Storebrand Asset Management's fund managers. Thus, Storebrand Asset Management aspires to be a global leader in sustainable investments, with a track record of sustainable investing, offering a variety of leading and innovative sustainable funds.
Our standard for sustainable investments is based on the assumption that the companies, which contribute to solving our societal problems in a sustainable way, will also be the most profitable in the long run. Storebrand Asset Management's policy for sustainable investments shall therefore help to ensure our clients' future returns.

Companies that understand and utilize sustainability in their business strategy, will in our opinion outperform their counterparts over the longer term. Investing sustainably is thus essential in order to achieve the best possible risk-adjusted returns for unit holders.

It is only through investing sustainably that companies are fully able to identify risks and opportunities arising from environmental, social and governance factors. A sustainable approach to investing is also important if we are to be good long-term stewards of our clients' capital. Integrating sustainability factors into our investment process allows us to make better informed investment decisions and provides a more comprehensive view of each individual investment case.

Storebrand Asset Management is committed to a future that our clients can look forward to. Our key contribution to achieving this is two-fold: We seek to generate the best possible risk-adjusted returns for our clients, while not compromising the ability of future generations to meet their own needs.

Guidelines for Sustainability

With sustainability as an integral part of our core business, economic, social and environmental aspects are taken into account before we make any decisions. Our sustainability principles, guidelines and reporting systems govern this practice.

Storebrand Group has signed the Global Compact, follows the UN Guiding Principles for Business and Human Rights and the OECD Guidelines for Multinational Enterprises. We also support UN Human Rights Conventions and ILO Core Conventions, UN Environment Conventions, and the UN Convention Against Corruption. We have signed the UN Principles for Responsible Investment (PRI) and the Principles for Sustainable Insurance (PSI), which guide our activities.

Guiding principles

In addition, Storebrand has created a set of sustainability principles that sum up how sustainability is an integral part of our business. The principles were updated in 2018 and encompass all parts of Storebrand's activities, including investments, product development, procurement, employee follow-up and internal operations.

The principles are:

- We base our business activities on the UN Sustainable Development Goals.
- We help our customers to live more sustainably. We do this by managing our customers' money in a sustainable manner, in addition to providing sustainable financing and insurance.
- We are a responsible employer.
- Our processes and decisions are based on sustainability – from the Board and management, who have the ultimate responsibility, to each employee who promotes sustainability in their own area.
- We collaborate to achieve the UN Sustainable Development Goals with our customers, suppliers, the authorities and partners.
- We are transparent about our work and our sustainability results.

About this Policy

This policy is a general description of Storebrand's approach to sustainable investments, which focuses on how Storebrand reduces the risk for adverse impact that its investments may have while allocating more capital in more sustainable companies to achieve the UN Sustainable Development Goals (SDG).

All content builds on what Storebrand Asset Management has learnt from over twenty years of integrating sustainability analyses across asset classes and geographies. Given the growing amount of quality data supporting effective implementation, and the changing regulatory regime we expect our methods to continue to evolve and be updated over time.

Further, the policy also has as a purpose to disclose Storebrand Asset Management's integration of sustainability risks in our investment processes in line with the respective requirements by the EU Sustainable Finance Disclosure Regulation Framework[1]. For product specific information, please consult respective product prospectuses.

[1] *https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32019R2088&from=EN*

Strategies

We fundamentally believe that investing in companies well positioned to deliver on the UN's Sustainable Development Goals (SDGs), will deliver better risk-adjusted long-term returns for our clients. We understand sustainability risk as an environmental, social or governance event or condition that, if it occurs, could cause an actual or potential material negative impact on the value of the investment.

Therefore, our investments are to contribute to the achievement of the SDGs but without causing harm or having an adverse impact on society and the environment. By combining different strategies, our investing approach focuses on both:

1. reducing the adverse sustainability impact our investments may cause
2. contributing to positive sustainability impact by allocating more investments in sustainability opportunities

1. Reducing adverse sustainability impact

A. Description of main adverse impact categories

Storebrand Asset Management identifies, manages and reduces adverse sustainability impact in its portfolios by following, among others, the OECD Guidelines on Responsible Business Conduct for Institutional Investors, which describe how investors are to carry out due diligence in its portfolios across asset classes. When assessing to what degree companies manage adverse impact, we are guided by the OECD Due Diligence Guidance for Responsible Business Conduct and the OECD Guidelines for Multinational Enterprises in addition to the UN Guiding Principles for Business and Human Rights.

Storebrand Asset Management has been working with reducing adverse impact in its portfolios since the turn of the century and it has identified the following as main adverse sustainability impact categories that applied to all equity and debt portfolios:

- • Adverse impacts affecting the environment and climate such as: severe environmental damage; green house gas emissions; biodiversity loss; deforestation
- Adverse impact affecting workers, communities and society such as: violations of basic workers' rights; forced labor; gender/diversity discrimination or indigenous rights violations
- Adverse impact in connection with gross corruption and money laundering
- Adverse impact in connection with controversial weapons (landmines, cluster munitions and nuclear weapons)
- Adverse impact in connection with tobacco products

We have also identified some products as adverse impacts that we aim to avoid in all our funds such as coal or oil sands and others for some of our portfolios such as alcohol, gambling and conventional weapons. These products are associated with significant risks and liabilities from a societal, environmental or health related harm.

Furthermore, since 2021, we have integrated the Principal Adverse Impacts (PAIs) identified in the EU Sustainable Finance Disclosure Regulation (SFDR) into our risk analysis. There is an overlap between PAI indicators, and our general work carried out to mitigate risk. This has not changed our methodology to identify risk but has added a new dimension to further map, manage, measure and mitigate adverse impact as more specific data is available. For more information regarding PAIs and our due diligence work addressing them, please see our Principal Adverse Impact Statement available on our website and in the appendix.

B. Prioritizing and addressing adverse impact:

Storebrand Asset Management prioritizes and addresses these adverse impacts by using several combined strategies that involve:

a. Screening and excluding companies that do not live up to Storebrand's (minimum) investments standards based on international norms and conventions and/or companies that are involved in the production of certain unsustainable products

b. Engaging with companies to discuss these adverse impacts with the aim to improve corporate behavior and thus reducing the adverse impact

c. Integrating sustainability risk ratings in investment decisions to avoid or invest less in companies with high-risk sustainability rates and prioritize or invest more in companies with low sustainability risk

d. Risk-based sale of assets for assets with a high risk of involvement in activities with severe adverse impacts such as those identified as Principle Adverse Impacts (PAIs) in EU regulation

Screening and excluding companies

Screening and exclusions at Storebrand asset Management are based on norm- and product-based exclusions. The methodology covers all sustainability themes stated below and can be accessed on our websites and in the appendix of this document. For a better understanding of our norm-based exclusions, please see conduct-based: Human Rights Standard, Environmental Damage Standard and Corruption and Corporate Crime Standard, together with the supplementary non-conduct based Controversial Weapon Standard in the appendix and our website. The conduct-based crit erion is based on the effect corporate behaviour may have, which may lead to adverse impact. Storebrand will engage with companies under this criterion so that companies change that negative corporate behaviour and thus address adverse impact. Please read more about how we engage with companies in this policy in b. Engaging with companies and voting at Annual General Meetings.

The non-conduct-based criterion is based on the nature of the company's products (i.e. controversial weapons) and how these may have an adverse impact regardless of corporate behaviour. Companies identified under this criterion are excluded and no engagement with them is carried out. The screening for the breach of these standards is carried out by our data providers Sustainalytics and ISS-Ethix, which monitor over 4000 companies making our investment universe. Storebrand 's Risk and Ownership team is responsible for assessing to what degree the companies identified by our data providers are in violation of the Storebrand standards. The team prioritizes conduct-based cases for exclusion based on the scope of the harm, the severity, the risk of recurrence and the irreversibility of the adverse impact caused by the company at hand and by using a predefined scoring table to ensure consistency in the evaluation process.

The decision to exclude a company based on a conduct-based norm-breach, and thus mitigate and prevent the adverse impact, is based on assessment of the issue by Storebrand's investment committee. The committee comprises several representatives of the Storebrand Group's senior management team and other executives, who meet on a quarterly basis. Companies will be excluded if the adverse impact and the breaches of our standards are considered severe and the risk of recurrence is assessed as high after engaging with the company on measures to prevent recurrence and mitigate the adverse impact. Storebrand's investment committee are however not responsible for exclusion of non-conduct-based norm-breaches such as controversial weapons, that decision is taken by the Risk & Ownership team.

The Risk and Ownership team is responsible for selecting data providers that deliver relevant data enabling the organization to perform these screens. Data providers may vary over time and are described in the standards pertaining to each product or practice below. These can be accessed on our website or in the appendix in this document.

Exclusion of conduct-based norm-breaches is to be used as a last resort and should only be applied where companies clearly fail to demonstrate change or improvements that can mitigate and or prevent adverse impact. If an excluded company demonstrates positive change that reduces the risk of recurrence, the company may be re-included in the list of companies we invest in.

Excluded companies are listed on our website and updated every quarter.

For specific information about how exclusions apply to different Storebrand entities, please consult entity specific websites and product documentation.

Norm-based exclusions. These apply to all funds:

It is of fundamental importance that companies we invest in follow international laws, norms and conventions. The Storebrand Group will therefore not invest in:

Conduct-based norm-breaches:

- Companies that contribute to serious and systematic breaches of international law and human rights
- Companies involved in serious environmental degradation, including the climate
- Companies involved in systematic corruption and financial crime

Non-conduct-based norm-breaches:

- Companies that produce or sell controversial weapons (nuclear weapons, land mines, cluster munitions, biological and chemical weapons.

Product-based exclusions. These apply to all funds:

The Storebrand Group has also chosen to exclude investments in companies within certain single product categories and practices that are unsustainable. These products or industries are associated with significant risks and liabilities from societal, environmental or health related harm. In these product categories there is also limited scope to influence companies to operate in a more sustainable way.

These companies include:

- Companies with revenue from production and/or more than 5% revenue from distribution of tobacco
- Companies with more than 5% of revenue from production and/or distribution of recreational cannabis
- Companies with more than 5% of revenue from production and/or distribution of coal related activities as well as companies mining more than 20 million tons of coal annually or that have over 10,000MW coal power capacity.
- Companies with more than 5% of their revenue from production and/or distribution of Oil Sands
- Companies with more than 5% of their revenue from Arctic drilling
- Owners of palm oil plantations with unsustainable business practices Companies that are involved in deforestation through severe and/or systematic unsustainable production of palm oil, soy, cattle products, timber, cocoa, rubber, coffee or minerals
- Companies that actively lobby against the goals of international climate and biodiversity agreements, such as the

Paris Agreement and the Kunming-Montreal Global Biodiversity Framework
- Companies involved in deep-sea mining
- Owners of mining operations that conduct marine or riverine tailings disposal

Product based exclusions. These apply to selected funds
For some selected products and entities, the Storebrand Asset Management Group has introduced additional requirements. In these cases, companies with more than 5% of revenue from the following activities will be excluded
- Production and/or distribution of fossil fuels
- Companies with large fossil reserves, more than 100 million tons of CO2 equivalents
- Production and/or distribution of alcoholic beverages
- Production and/or distribution of commercial gambling
- Production and/or distribution of defense contracts/conventional weapons
- Production and/or distribution of adult entertainment

Norm-based exclusions. These apply to selected funds
Additional norm-based exclusions for selected funds are based on ISS-Ethix Norm Screen and Sustainalytics Global Standards Screening (GSS). The exclusions are not assessed by Storebrand investment committee.

Sovereign Bonds
Storebrand Asset Management will not invest in sovereign bonds from countries lacking elementary institutions to prevent corruption, fulfil basic social and political rights, and contribute to maintaining international peace and security. Countries that rank among the lowest 10 percent on Transparency International's "Corruption Perceptions Index" and the World Bank's "Worldwide Governance Indicators; Control of Corruption Index", are excluded. Furthermore, countries with the lowest scores in Freedom House's "Freedom in the World Index", and countries subject to sanctions imposed by the UN Security Council, are also excluded. This criterion also applies to the state-owned companies of these countries.

Green Bonds
Special rules apply to green bonds when it comes to fossil fuels. The entire sector 10 (coal, oil, gas) is excluded and in addition companies' turnover of more than 50 percent coming from the production and/or distribution of fossil fuels in other sectors. The reason for this is that green bonds, among other things, must have the opportunity to create change in challenging industries.

b. Engaging with companies and voting at Annual General Meetings
We use our position as owners to influence companies to improve corporate behavior and reduce adverse sustainability impact. Through active ownership, we reduce risks, improve the quality of our investments and influence companies to move in a more sustainable direction. We do not believe that just one method solves everything, but believe in a combination of dialogue, exclusion, inclusion and integration. For general information about Storebrand Asset Management's Group Policy on Engagement, please see this document in the appendix.

At Storebrand Asset Management, we believe in exercising our shareholder rights. We employ two main ways to achieve this: either through voting at shareholder meetings or by engaging with companies at different levels including management and board levels. This engagement can be both direct individually and/or in collaboration with other investors.

Both tools can be very effective in addressing concerns regarding environmental, social and corporate governance (ESG) issues in order to reduce adverse sustainability impact. Combined they can strengthen each other and be an effective signal to companies regarding our views on ESG important issues.

Our engagement strategy prioritizes having a positive impact over just redressing wrongs. Therefore, we prioritize engagements where we think we can have a better opportunity to obtain good results and we have allocated more time and resources to those. This means better quality engagements with fewer companies for longer periods of time and when possible with other investors for more leverage. This also allows for more proactive engagement since our resources are not used on every controversial case (reactive engagement).

The decision to engage with selected companies is made based on our assessment of the significance of a particular matter, the size of holdings, scope to effect change and opportunities to collaborate with other investors.

Dialogue with companies can be exercised by expressing views, written or orally, to the company's management on all levels, advisers, and Board of directors.

Cases for engagement
Storebrand Asset Management may contact companies mainly to influence corporate practice on Environmental Social and Governance (ESG) issues in order to reduce adverse sustainability impact; to encourage improved ESG disclosure or to gain an understanding of ESG strategy and/or management.

Main focus areas for ESG of engagement and engagement strategy are evaluated at the beginning of the year. These engagement areas are the result of our mapping and due diligence of different industries and portfolio exposure identifying high risk areas.

The rationale is to avoid or prevent controversies, but also to lift industry ESG standards, and therefore mitigate environmental, social and governance risks which can also lead to a reduction of financial risk.

We will consider engagement with companies within a broad range of ESG issues, such as, but not limited to :

• Sustainability issues such as:
  – Human rights and labour rights
  – Environmental damage including biodiversity loss and climate change
  – Conflict areas
  – Corruption and financial crime
  – Companies with a low sustainability rating in high-risk industries
  – Companies with a high risk of involvement in activities with severe adverse Impacts such as those identified as Principle Adverse Impacts (PAIs) in EU regulation.
• Governance issues such as:
  – Replacement of directors
  – Equity issues and dividend policies
  – Remuneration of key personnel
  – Transactions between related parties
  – Diversity issues
  – The company's strategy or results differ substantially from those previously communicated

Storebrand Asset Management has prioritized climate change, biodiversity and human rights as main themes for engagement over the lastyears. We have made a coordinated effort to engage on these topics on an individual basis with companies, as part of several collaborative engagements with different industries, by voting on and co-filing shareholder resolutions and advocating towards policy makers.
Storebrand's climate policy commits us to our investment portfolios having net-zero GHG emissions by 2050. It is also Storebrand's ambition to have an investment portfolio that does not contribute to deforestation by 2025.

We will prioritize engagement based on:

• Materiality of ESG factors
• Geography/market of the companies (Nordic markets are prioritized since Storebrand has more leverage in these markets)
• Exposure (size of holdings)
• Degree of leverage/scope to effect change
• Responses to ESG impacts that have already occurred
• Ability to have greater impact on ESG issues
• Follow-up from a voting decision

Engagements' objectives and monitoring of progress
Storebrand Asset Management defines objectives for its individual engagements and sets objectives and milestones to be achieved by companies together with other investors in collaborative engagements. Storebrand monitors progress against defined objectives and tracks the progress of action taken when original objectives are not met, revisits them and, if necessary, revises objectives.

Storebrand Asset Management registers and measures progress of all engagements. The progress of engagement is discussed in a monthly meeting within the Risk and Ownership team including minimum requirements, alternative approaches to achieve or improve dialogue, and whether to escalate an engagement.

Escalating engagement
If the outcome of the company engagement does not meet our expectations, Storebrand Asset Management may consider other actions.

• Raising the issues at the board level if senior management is not responsive
• Expressing our views publicly by issuing a public statement
• Collaborating with other investors if not the case already
• Proposing, filing, or co-filing resolutions at the annual general meeting
• Voting against the re-election of the relevant directors
• Suggest an extraordinary general meeting

If the company is on the observation list, Storebrand Asset Management will make an exclusion assessment. As a last resort, where the company is in violation of Storebrand Investments standards and there is a risk of recurrence, the case will be presented before the Sustainable Investment Committee, to make a final decision on whether to exclude the company from our investments. If excluded, the company is always informed of the decision, and contacted regularly afterwards to encourage improvement and a potential inclusion.

Observation list
In some cases, where we suspect a violation of our standards, it may be beneficial to follow a company overtime to increase the information available. Likewise, there may also be cases where we see a company is working on corrective action, but such measures have yet to be fully implemented or verifiable. In such cases, we will place the company on an observation list, associated with specific restrictions, to allow for more time to gather the necessary information and influence company direction.

Companies that are under observation will be closely monitored and engaged based on our existing ownership, and we will maintain a close dialogue with the company where we inform them of our expectations of measures and results. We expect the company to show improvement within a pre-determined time. Depending on the outcome, the company will either be excluded from our investment universe, or it will be removed from the observation list.

While companies are present on the observation list, portfolios without prior holdings will be restricted from investing in the said companies. Portfolios with prior positions will be allowed to maintain these positions. However, the maximum portfolio weight will be limited to 1.2 times the original position as defined by portfolio weight from the date of observation status.

Communication of engagement results

Storebrand Asset Management is committed to report on the impact of its investments and therefore engagement results are communicated via different channels including: Storebrand dedicated websites, clients' newsletters, annual/sustainability reports or fund reports as well as in external presentations.

Use of voting rights

Storebrand Asset Management also uses its voting rights in order to reduce the adverse sustainability impact companies in its portfolios may cause and advance the sustainability agenda. Combining engagement with companies and voting is a good strategy to achieve change in corporate behavior and thus reduce adverse impact.

Guidelines for voting

Voting rights must be exercised to the benefit of the fund in question, with the objective of securing the best possible risk-adjusted returns for unit holders. Normally, the portfolio manager assesses how the voting rights are to be used. In all cases where we vote, the respective portfolio manager or ESG analyst familiarizes him or herself with the matters to be discussed at the general meeting and decides how to vote. Voting rights are exercised directly by the fund management company or by using a proxy voting platform.

Storebrand Asset Management typically votes against management in the following situations:

- Inadequate information ahead of meeting
- Quality of board and its members, including lack of diversity
- Anti-takeover mechanisms
- Needless or unfair changes in capital structure
- Excessive executive compensation
- Proposals preventing disclosure of climate or other sustainability related information

Storebrand prioritizes voting on key ESG issues to reduce the adverse sustainability impact of the companies it is invested in. Some of the identified key ESG issues are: climate change; deforestation and biodiversity; gender equality and diversity; human rights disclosure; indigenous rights; anti-corruption and money laundering; and remuneration. Our goal is to vote at all meetings with ESG and/or shareholder resolutions. For more detailed information on how we will tend to vote on specific ESG issues, please see our Proxy voting policy available on our website and this appendix.

The Risk and Ownership team has the responsibility of assessing, filing and, or co-filing shareholder resolutions to advance sustainability issues. When a shareholder resolution on a specific ESG theme or adverse impact is not on the AGM agenda, the team may resolve to vote against the re-election of the relevant directors or suggest an extraordinary general meeting.

Storebrand's Guidelines for the actual implementation of Storebrand's voting strategy with specific instructions regarding ESG issues can be found on our website and in this appendix.

Specific situations may call for unique responses and we will always take market and company conditions into consideration. To the extent that voting rights have been exercised in controversial cases or where Storebrand Asset Management has voted against the board or management's recommended course of action, Storebrand Asset Management will disclose the voting rationale.

A vote disclosure is sent to the Board and the unit holders are informed via Storebrand Asset Management's website. If Storebrand Asset Management has voted against the companies' proposal, the information will refer to the guidelines above. Unique responses will be explained.

The framework for the use of voting rights for funds managed by Storebrand Asset Management is set out in Norwegian Regulations on Securities Funds Section 2-24 and in the industry recommendations from the Norwegian Fund and Asset Management Association. SPP funds in Sweden follow the Swedish Corporate Governance Code and the Swedish Investment Fund Association, Guidelines for investment fund managers as shareholders.

The ultimate responsibility for execution of corporate governance in Storebrand Asset Management's funds lies with the Board of directors of the respective fund management company. The daily execution is delegated to the portfolio managers of each fund and activities are reported back to the Board. The Board annually evaluates the execution of corporate governance. Our voting statistics are published on our website

Voting execution

Storebrand Asset Management has selected Institutional Shareholder Services ("ISS"), an independent service provider, the platform for our proxy voting activities. ISS provides notices of general meetings and comprehensive information about the companies, the voting items on the agenda and recommendations. Funds managed by Storebrand Asset Management will vote according to our own voting policy, and always in what we deem to be the best interest of our unit holders. When we do not have a policy in place for a specific ballot item, we will typically follow the ISS recommendation. We will on an annual basis review the relationship with ISS, including the quality and effectiveness of the services provided. Each fund has a custodian approved by the Financial Supervisory Authority of Norway. The custodian bank also provides information related to general meetings.

Securities lending

Storebrand Asset Management is currently running a security lending program. It is an agency lending program, administered by a designated lending agent, but we decide to whom we allow lending and the required collateral. In case shares are lent out, we will recall these in time to vote at the general meeting. Securities lending shall not compromise the funds' ability to focus on sustainability.

Conflicts of interest and inside information

Storebrand Asset Management is dependent on access to information about investee companies in order to assess any challenges companies have with their corporate governance. It is also important to retain flexibility with respect to funds' investments so that one can act in the best interests of the unit holders. Storebrand Asset Management p has a clear understanding of information provided to us by third parties, and its relation to the rules on inside information, also in relation to the exercise of corporate governance. It is expected that investee companies, and their advisors, also have an awareness of this legislation and do not put Storebrand Asset Management in an insider position without consent. If in doubt it should, as far as possible, be clarified by the declarant whether the relevant information is inside information before it is received.

When working with other investors to influence companies, Storebrand Asset Management will be acutely aware of conflicts of interests and of being put in an insider position.

c. Integrating sustainability risk ratings in investment decisions

We integrate sustainability risk ratings in investment decisions to avoid or invest less in companies with high-risk sustainability rates and prioritize or invest more in companies with low sustainability risk.

We measure material ESG risk or the risk of causing adverse sustainability impact in all the companies we invest in, through Sustainalyics' ESG Risk Rating. The ESG Risk Ratings measure the degree to which a company's economic value is at risk driven by ESG factors or the magnitude of a company's unmanaged ESG risks.

The ESG Risk Ratings are composed of three building blocks: Corporate Governance, material ESG issues and idiosyncratic ESG issues. Corporate Governance is a foundational element in the ESG Risk Ratings and reflects the conviction that poor Corporate Governance poses material risks for companies. It applies to all companies irrespective of the subindustry they are in. Material ESG issues require a common set of management initiatives. The assessment of material ESG issues occurs at the subindustry level. The model identifies these issues based on the typical business model and business environment a company is operating in. Idiosyncratic issues are unexpected unrelated to the specific subindustry and the business models that can be found in that subindustry.

Further, each company is measured on exposure to Material ESG risks, and management of those risks. Exposure can be considered as a set of ESG-related factors that pose potential risks for companies just because of the nature of the activity of the industry they belong to or the country or countries where the company operates. Another way to think of exposure is as a company's sensitivity or vulnerability to ESG risks. Management can be considered as a set of company commitments, actions and outcomes that demonstrate how well a company is managing the ESG risks it is exposed to. The final ESG Risk Ratings scores are a measure of this unmanaged risk.

This rating is used by the Risk and Ownership team to identify the risk for adverse sustainability impact at companies when assessing them during an exclusion process and to measure to what degree there might be a risk of recurrence of the same type of adverse impact being assessed as well as others. The team also uses the rating when identifying and prioritising certain thematic adverse impacts for specific industries in connection with engagement activities at industry level. It is also used when engaging with individual companies to better assess where there is more need for corporate sustainability improvement or when considering voting for sustainability shareholder resolutions.

The ESG Risk Rating feeds into the Storebrand Sustainability Score assigned to all the companies we invest in, and it is available for our portfolio managers to integrate in investment decisions. The idea is to move capital away from high sustainability risk companies to companies with lower sustainability risk. The methods for integrating ESG Risk Rating, and the Storebrand Sustainability Score are described further in the following chapter.

d. Risk-based sale of assets:

In order to further mitigate risk, Storebrand will sell assets from companies with a considerable risk of involvement in activities with severe negative impacts such as Principle Adverse Impacts (PAIs) as described by EU regulations.

EU regulations regarding due diligence and sustainability risk analysis such as guidance on Principle Adverse Impacts (PAIs), UN Guiding Principles and the OECD Guidelines for Multinational Enterprises, complemented by Storebrand Standard criteria and policies, will form the basis of these risk assessments.

The Risk and Active Ownership Team will consider in their assessments, factors such as:
• Company Principle Adverse Impact indicator rating
• Company ESG rating, including industry peer comparison
• Sector and sub-sector risks
• Geographical/country risk exposure for the operations
• Severity of adverse impacts
• Actual link of company operations to adverse impacts
• Proximity to actual violations in the supply chain
• Likelihood to come into productive engagement resulting in positive impact on company business practices, right-holders, the environment, and society.

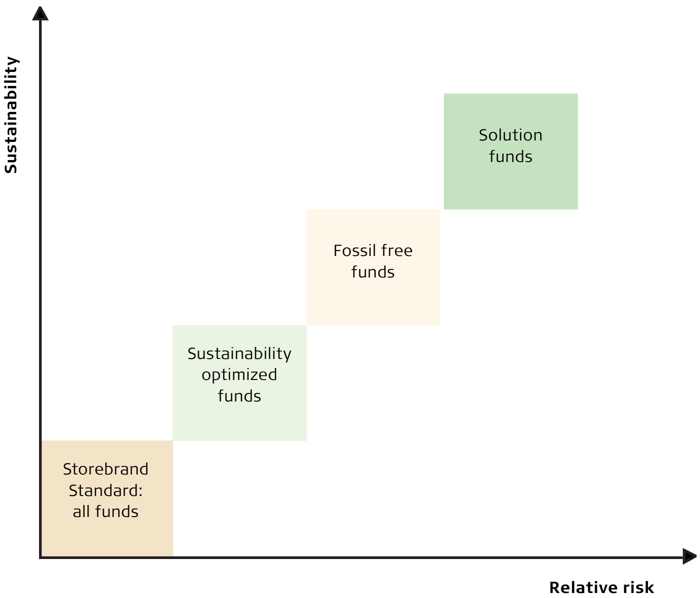
In the selection of data providers in relation to implementing EU regulation on taxonomy and Principle Adverse Impacts, we have selected data providers based mainly on these critical factors: data quality, company coverage and the providers' ability and resources to best adapt to changing regulations and increased data qualiity.

2. Contributing to positive sustainability impact

Storebrand Asset Management's investments aim to contribute to the achievement of the Sustainable Development Goals and thus moving capital towards more sustainable companies while ensuring no harm to society and the environment.

From a low tracking error (low risk) perspective, we can choose to tilt portfolios towards more sustainable companies while keeping tracking error at a relatively low level. In broader more passive styled funds, this is possible across a large number of companies due to our in-house sustainability score.

Different tools for the various strategies*



***For illustrative purposes only**

As we gradually increase risk (tracking error) levels, we can introduce more elements such as carbon optimization, optimizing funds on sustainability scores and an increasing focus on investing in solution companies. Different funds will integrate these aspects in different ways depending on their mandates. All funds adhere to Storebrand's standard for sustainable investments, which results in the removal of unsustainable companies.

As we take on more risk, we enable the possibility to include various facets of sustainability in portfolios.

There are several tools that assist us in integrating sustainability across a number of portfolios.

- Sustainability Score
- Solution Companies
- Solutions Database
- Green Bonds
- Infrastructure

Sustainability Score

The score is used to optimize portfolios towards more sustainable companies and to calculate an internal fund rating. We calculate the sustainability score on over 4000 companies and base it on a 0-100 scale. It is comprised of two main building blocks, ESG risks and SDG opportunities. On the ESG risk side, the score assesses companies' exposure to, and management of, financially material sustainability risks. On the SDG opportunities side, we analyze sustainability data sources and use internal research on solution companies to find companies whose products and services contribute positively to the achievement of financially relevant SDGs.

The sustainability score is the basis for a total weighted sustainability score given to funds. The fund sustainability score aggregates the weighted sustainability score for all portfolio companies and is converted to a rating on a scale of 1-10, where 10 is best.

Portfolio Managers at Storebrand Asset Management are able to access the score on several levels. Total Score, Risk Score, SDG Score, and scores for underlying themes within these building blocks, are all readily available. Implementation of the score is dependent on the style and risk profile of the fund/portfolio in question. The score can be used to better assess the ESG risk of a particular investment, for identifying companies with an attractive SDG positioning, or for assessing the overall exposure on ESG risk and opportunities of a portfolio. Qualitative assessment of sustainability data allows for better-informed investment decisions and may be followed up by further research supported by internal sustainability experts.

Solution Companies

”Solution company” is a term used by Storebrand to describe a company with a business model that contributes to achieving the SDGs through its products and services, without causing significant harm. Solution company investments are one of several ways to help shift capital towards alignment with the Paris Agreement, in particular paragraph 2.1.c): ”Making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development” and the SDGs, including both social and climate solutions. A solution company should be compliant with the EU Taxonomy on Sustainable Finance if it is eligible for the classification system on sustainable business activities.

Solution companies are categorized by four major themes (Climate, Smart Cities, Responsible Consumption and Empowerment), and linked to one or several of the 17 SDGs. On a more granular level, the key business model is centered around investment themes like renewable energy, technologies for sustainable city development, circular economy and recycling, electric public transport, water management, energy efficiency, sustainable materials and technology, responsible consumption and production, empowerment through access to health services and financial services.

Solutions Database

Storebrand operates with a solutions database which consists of companies that significantly contribute to sustainable development without causing substantial harm to environment or society. Companies are defined as either pure-play or diversified, defined by the proportion of a company's earnings that are linked to a solution we consider to be contributing to solving the SDGs.

The solutions database is available for fund managers across our investment teams and serves as valuable research for identification of interesting investment ideas.

The research and identification of solution companies is information that is also fed back to and represented in the sustainability score, ensuring an important feedback loop of information being made available to portfolio managers.

The database also serves as a basis for thematic portfolios, i.e. on climate solutions or smart cities, both as part of a larger investment portfolio or as thematic investment products. Storebrand provides broader solutions-oriented investment products, investing across the themes we have defined to be material in order to achieve the overall ambition of the UN Sustainable Development Goals.

Green Bonds

Green bond investments enable fixed income funds to shift its exposure to projects with a dedicated focus on sustainability. The green bonds should be in line with the international standard Green Bond Principles and the upcoming EU Green Bond standard. The sustainability of each project is verified by a third party, which contributes to transparency. The green bond should be compliant with the ICMA framework. In addition, the company issuing the green bond must pass our sustainability criteria. Investments vary from renewable energy and waste management to water purification and drinking water supply.

Alternative Investments

Infrastructure

Infrastructure investments enable us to further contribute to the green transition through long-term investments with a positive impact. This is achieved by investing in assets which contribute to climate change mitigation through renewable energy production and electrification of the transport sector. Main categories for investment include offshore wind, onshore wind, solar,, district heating, , battery storage and electric transport assets. . The transition to a green economy requires massive private sector investments – and we aim to contribute through this type of investment.

Environmental, Social and Governance concerns are central in every stage of the investment and asset management process related to infrastructure investments. The screening stage of the investment process shall filter out investments in violation with Storebrand's ESG framework. The analysis stage of the investment process places great emphasis on a thorough ESG due diligence , normally led by a strategic sourcing partner. The ESG due diligence findings are carefully assessed by the Storebrand team.

Storebrand Infrastructure Fund has selected sourcing partners with ESG-policies well aligned with Storebrand's. The post-investment phase involves identification, monitoring and managing of ESG-risks.The monitoring process is led by sourcing partners and is a central topic in the periodic asset reporting.

The Fund is restricted from investing in assets that do not comply with Storebrand's Sustainable Investment Policy at the time of Investment, and every stage of the investment process shall comply with Storebrand's commitment including the UN Global Compact, the UN Guiding Principles on Business and Human Rights, the Paris agreement and the PRI.

Real Estate

Our real estate investments are to contribute to the achievement of the SDGs but without causing harm or having an adverse impact on society and the environment. By combining different strategies, our investing approach focuses on both reducing the adverse sustainability impact our investments may cause and contributing to positive sustainability impact by allocating investments in sustainability opportunities. Risk assessments are conducted in both the pre and post investment phase and include, environmental, social and governance risks. With respect to reducing negative sustainability impacts, the main indicators that are to be defined are fossil fuel exposure, energy consumption, GHG emissions, resource consumption, and health and well-being. Prioritizing and addressing potential negative impacts is conducted through the following strategies: screening and excluding investments or partnerships, integrating adverse impacts in investment selection decisions, and integration in investment decisions on property management and development.

With respect to contributing to positive sustainability impacts, UN sustainability goal number 11 on sustainable buildings, cities and societies is integrated in our core business, and is the overarching goal that frames the prioritized target areas. Four main target areas are relevant to new investments, developments and operational management of our real assets: climate and energy, circularity and material resources, life on land and in water, and health and well-being.

Private Equity

Storebrand Asset Management's private equity investments are carried out through the wholly owned subsidiary Cubera Private Equity ("Cubera"). Cubera is an investment advisor and fund-of-funds manager. Based on the decades-long investment experience in the private equity space Cubera is in the position to materially contribute to the ESG efforts within its fund manager network. In its role as a limited partner in a private equity fund, Cubera has limited formal influence on ESG issues during its ownership phase, and no direct influence on the underlying portfolio companies.

Therefore, Cubera focuses its resources where they will in fact create value: in its relationships with the fund managers in its investment universe, and in the evaluation of investment opportunities. Cubera always strive to focus on the matters that are material to long-term value creation, and within its range of influence. The firm engages actively with fund managers through dialogue, coaching and best practice sharing, to ensure that existing and potential investees' values and processes are aligned with Cubera's requirements. Cubera's ESG process is integrated in all aspects of the organization in order for Cubera to make better decisions and act responsibly.

Cubera recognizes that ESG factors affect the long-term market value of an asset and therefore invests with fund managers who also share this view. By encouraging fund managers to undertake relevant ESG actions amongst their activities, Cubera believes it can drive sustainable value for its investors. A dedicated ESG Policy has been developed by Cubera to cover private equity-related processes in detail.

Memberships and guiding principles

The Storebrand Group actively support, through membership and/or signature, several organizations, principles and initiatives. These are some examples, and our website will present an updated and comprehensive list.

- UN Principles for Responsible Investment (PRI). PRI is the leading international initiative in responsible investment for financial institutions.
- UN initiative Global Compact. CEO commitment to align strategies and operations with universal principles on human rights, labor, environment and anti-corruption, and take action that advance societal goals.
- Task Force on Climate-related Financial Disclosures (TCFD). TCFD is a leading international initiative with the task of producing recommendations for measuring and taking action against climate change.
- Climate Action 100+. Climate Action 100+ is an international initiative with the task of influencing the companies that cause the largest emissions of greenhouse gases and persuading them to take the necessary measures.
- Net Zero Asset Owner Alliance. An ambitious climate leadership group with commitment to transitioning investment portfolios to net zero greenhouse gas emissions by 2050.
- Investor Alliance for Human Rights. A collective action platform that connects investors to promote human rights and responsible business conduct through active ownership.
- UN PRI Advance. A stewardship initative for investors to take action on human rights and social issues.
- Platform for Living Wages Financials. An investor alliance which engages with companies to enable living wages and incomes in supply chains.
- NORSIF and SWESIF. An independent association for capital owners, managers, service providers and industry organizations with an interest in responsible and sustainable management.

Monitoring, Reporting and Communication

Monitoring

The Storebrand Asset Management Board has responsibility for the implementation of this Group Sustainability Policy.

Storebrand Asset Management's Investment Control and Analytics (ICA) department is responsible for verifying that management complies with individual mandates as well as internal and external laws and regulations. As part of the daily compliance controls, all trades and positions are controlled for breaches on the Group Sustainability Policy, in particular exclusions.

As part of the exclusion process, our investment universe is monitored daily for potential breaches of Storebrand standards and screened quarterly to assess if companies are in breach of this sustainability policy. All holdings are continuously screened by ISS-Ethix and Sustainalytics, which send "company alerts" once a month, including background information on the possible event. The incident is then analyzed by our experts on the specific topic and the decision to exclude a company (or include an excluded company) is based on assessment of the specific case by Storebrand's investment committee. The committee comprises several representatives of the Storebrand Group's senior management team and other executives, who meet quarterly. For more information about this process, please see Screening and excluding companies from our portfolios section.

Oversight for engagement and active ownership activities lies with the Active Ownership Forum including Storebrand Asset Mangement's CIO, portfolio managers representing different funds and analysts from the Risk and Ownership team. Main focus areas for sustainability engagement and engagement strategy are decided by this Forum. The forum meets periodically to follow-up engagement strategy, discuss results as well as new ESG themes and coordinate engagement activities involving both portfolio managers and analysts from the Risk and Ownership team. The forum reports to Storebrand Asset Management's board. For further information regarding the engagement process and monitoring of progress made by companies, please see the Engaging with companies and voting at Annual General Meetings section.

Follow-up of voting at general meetings is done on an ongoing basis. All voting is registered digitally. Voting rights on behalf of the funds under management shall be exercised with the aim to enable for portfolio companies to fulfill the principles of corporate governance set out in each fund company's guidelines for corporate governance. If voting, or other exercise of ownership rights, takes place in violation of the guidelines, appropriate justification must be documented. For more information regarding voting, please see the Engaging with companies and voting at Annual General Meetings section.

Reporting and Communication

The Risk and Ownership team sends quarterly reports regarding exclusions first to portfolio managers and compliance, so they are aware of new exclusions. Fund managers have approximately 20 days to sell their holdings in excluded companies. Once this is achieved, other key internal and external stakeholders and clients are directly informed. A list with all exclusions is published and updated quarterly on our website.

The Risk & Ownership team gives a detailed, yearly report to the Storebrand Asset Management Board of Directors on our work on sustainable investing in general, and on our engagement efforts specifically. Our activities regarding engagement will be reported in the Storebrand Asset Management annual report, in addition to being reported in the annual reports for the individual mutual funds and websites. Our voting policies, and a searchable overview of our voting records is also available on our website.

All fund management companies in the Storebrand Asset Management Group, shall annually, in the annual reports of the funds or in a separate report, account for the follow-up of corporate governance and sustainability work. The report must contain a general description of the fund company's voting in the portfolio companies for example, number of general meetings, geographical distribution and a summary of how the fund company voted for the portfolio companies' general meetings. The report must also state whether there were some important votes during the period (i.e. where the Fund Company has been a major owner or where one important or controversial issue has been up for decision at the Annual General Meeting).

Information must be provided regarding cases where the fund company has used advice or voting recommendations from a voting adviser. The report shall also contain information on the sustainability aspects that are considered in the management of the fund, the methods used for sustainability work and the work that the Fund Company conducts to influence the companies in which the fund's assets are invested. The report on the advocacy work must contain information about dialogues conducted with the portfolio companies, how they have carried out and, where applicable, what they resulted in.

The Board of Directors of the Fund Company shall receive a report at least annually on corporate governance and sustainability work and compliance with this policy.

To ensure transparent communication, and to let stakeholders follow up on the implementation of our Sustainable Investment policy, we are committed to:

- Publish and make available to investors via our website this Policy for Sustainable Investments
- Fulfil PRI's reporting requirements, and publish results accordingly
- Report on excluded companies on a quarterly basis
- Report on companies on our observation list on a quarterly basis
- Report on relevant key performance indicators, targets and results annually
- Update stakeholders on key initiatives via our websites and annual reports

Reports and additional information about sustainability requirements can be found on each fund management company's webpage, as well as in the Prospectus for each fund.

Appendix

General

[Storebrand standard]
Principal Adverse Impact Statement
Group Policy on Engagement
Proxy Voting Guidelines

1) Norm based exclusions

Human Rights standard
International Law standard
Environmental Damage standard
Corruption and Financial Crimes

Non-conduct based:

Controversial weapons standard

2) Product based exclusions

Storebrand standard:

Government Bonds
Tobacco
Cannabis

Extra criteria beyond the Storebrand standard:

Fossil fuels
Adult entertainment
Gambling
Alcohol
Defense contracts/conventional weapons
Green bonds criteria

Glossary

- Global Compact – a voluntary UN initiative based on CEO commitments to universal
- sustainability principles
- UN Sustainable Development Goals – 17 goals adopted by all UN member states
- UN Guiding Principles for Business and Human Rights - an instrument consisting of 31
- principles implementing the United Nations' (UN) "Protect, Respect and Remedy" framework
- on the issue of human rights and transnational corporations and other business enterprises.
- OECD Guidelines for Multinational Enterprises – government backed guidelines that provide
- non-binding principles and standards for responsible business conduct in a global context
- consistent with applicable laws and internationally recognised standards.
- ILO Core Conventions – eight fundamental conventions covering subjects that are considered
- to be fundamental principles and rights at work
- UN Convention Against Corruption – a legally binding convention covering many different
- forms of corruption
- UN Principles for Responsible Investment (PRI) and the Principles for Sustainable Insurance
- (PSI)

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